VZCZCXRO2220 OO RUEHBI RUEHLMC DE RUEHLM #1233/01 2530223 ZNR UUUUU ZZH O 100223Z SEP 07 FM AMEMBASSY COLOMBO TO RUEHC/SECSTATE WASHDC IMMEDIATE 6775 RUEHBK/AMEMBASSY BANGKOK 3274 RUEHKT/AMEMBASSY KATHMANDU 5507 RUEHKA/AMEMBASSY DHAKA 0396 RUEHIL/AMEMBASSY ISLAMABAD 7384 RUEHLO/AMEMBASSY LONDON 4012 RUEHNE/AMEMBASSY NEW DELHI 1342 RUEHNY/AMEMBASSY OSLO 4085 RUEHOT/AMEMBASSY OTTAWA 1200 RUEHKO/AMEMBASSY TOKYO 3171 RUEHCG/AMCONSUL CHENNAI 7980 RUEHBI/AMCONSUL MUMBAI 5622 RHHMUNA/HQ USPACOM HONOLULU HI RUEHLMC/MILLENNIUM CHALLENGE CORPORATION RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC

UNCLAS SECTION 01 OF 02 COLOMBO 001233

SIPDIS

SENSITIVE SIPDIS

STATE PASS TO USAID AID/W FOR ANE/SAA AID/W FOR DCHA/OFDA FOR RTHAYER AND BDEEMER KATHMANDU FOR OFDA REGIONAL ADVISOR WILLIAM BERGER AID W/ANE/SA FOR KFREEMAN BANGKOK FOR OFDA DIRECTOR TOM DOLAN AID/W FOOD FOR PEACE FOR JDWORKIN UN WORLD FOOD PROGRAM

E.O. 12958: N/A

TAGS: <u>EAID</u> <u>PGOV</u> <u>PHUM</u> <u>PREF</u> <u>CE</u>

SUBJECT: SRI LANKA: GOVERNMENT TAKES CREDIT FOR INCREASED FLOW OF FOOD TO JAFFNA; ACKNOWLEDGES CHALLENGES REMAIN

REF: COLOMBO 0310

¶1. Summary: Two weeks after returning from a visit to the northern Jaffna Peninsula, the Commissioner General of Essential Services (CGES) on August 30 briefed the diplomatic community and United Nations agency heads in Colombo on steps the Government of Sri Lanka has taken to maintain a steady flow of supplies to Jaffna. Stating at the outset that his remarks were not intended as a public relations exercise, Commissioner S.B. Divaratne focused on challenges the government had overcome as well as obstacles that remain in meeting humanitarian needs for the 633,163 residents of Jaffna District, 99,000 of whom are displaced. Although the Commissioner described significant progress in a year's time, the benchmark for comparison was low due to the cumulative effect of nearly 25 years of protracted conflict. Much remains to be done to restore normalcy to the lives of people on the peninsula, and the government urged the international community to continue its support to address those needs. End Summary.

BACKGROUND

12. Armed conflict between Sri Lankan government security forces and the Liberation Tigers of Tamil Eelam (LTTE) near the gateway to Jaffna in mid-August 2006 resulted in the closure of the A9 highway between the government-controlled Jaffna Peninsula and the LTTE-controlled Wanni region to the south. With the peninsula accessible only by sea and air, and continued sporadic hostilities along the northern front lines, providing adequate stocks of food, medicine, agricultural inputs, fuel, and construction materials to Jaffna residents became significantly more challenging for the government, private sector, and international relief agencies alike. Limited supplies and heavy transport and handling costs drove

prices upward, often beyond the means of the 75 percent of Jaffna residents who live below the poverty line, according to government statistics.

LIVELIHOODS AND FOOD SECURITY

There remains an inadequate supply of high protein food, the Commissioner said. Contributing to this are continued security-related restrictions on access to the sea for fishermen. Acknowledging the need to balance national security with humanitarian needs, the Commissioner recommended a subsidy for families whose livelihoods depend on fishing. Prices of basic foodstuffs and other essential items remain high relative to Colombo, particularly in light of limited purchasing power, but were trending downward with a few notable exceptions, such as lentils. Contributing to lower prices is the "radical improvement" in supply due to the strengthened network of government cooperative societies, which provide essential food and non-food items at subsidized prices, and the resurgence of the private sector. An estimated 70 percent of the more than 5,000 private outlets functioning a year ago are back in business, supported by the Federation of Chambers of Commerce in Sri Lanka (FCCISL) and its local affiliate, the Jaffna Chamber of Commerce (JCC), which have been asked by the government to work with private traders to prevent price gouging on items not for sale in cooperatives.

SUPPLY OF ESSENTIAL GOODS

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14. The Commissioner acknowledged the Government's inability to provide adequate transport for timely supply of World Food Program (WFP) rations to Jaffna in early 2007. Going forward, he assured the UN agency access to at least one cargo ship, and possibly two, for a minimum supply of 2,300 metric tons of essential food items per month. The existing fleet of nine cargo ships, up from three a year ago, supplies more than 80 percent of the estimated average monthly requirement of 33,000 metric tons of food and other essential consumer items. The CGES is acquiring two more ships, which will close the gap completely. Further improvements to port facilities, increased warehousing capacity in Jaffna, and continued dialogue with the private sector remain priorities.

TRANSPORT AND MAIL

15. A passenger ferry runs "continuously" between Jaffna and Trincomalee, carrying 400 passengers per trip, while three private airlines operate five planes out of Palaly Air Force base, carrying a total of 200 passengers daily, the Commissioner said. Thirty-three new buses had been sent to the Jaffna, along with spare parts to get decommissioned vehicles back on the road. A backlog of parcels to be sent by post from Colombo to Jaffna had been cleared, and the postal service was functioning smoothly, with daily mail service from the South provided by passenger vessels.

OTHER ESSENTIAL SERVICES

16. Jaffna town, as well as the High Security Zone around Kankesanthurai (KKS) Naval Base, now have an uninterrupted supply of electricity round the clock, whereas four other urban areas have a power cut every other day for up to 45 minutes. The Commissioner said a steady fuel supply had been established, and that there were no shortages of petrol, diesel or kerosene. All hospitals are functioning, according to the Commissioner's findings, with regular supplies to Jaffna Teaching Hospital and emergency supplies by air. The GCE Advanced Level examination, cancelled the previous year, was conducted without problems in 2007. "Schools that should function are functioning," according to the Commissioner, adding that student

attendance was "satisfactory."

Comment

¶7. The stated purpose of the presentation, made at the President's request after a similar briefing to the Cabinet on August 22, was to share information and exchange views on issues related to food security and supply of essential items. In that regard, the Commissioner presented a fact-based picture of progress tempered by challenges remaining to be met. The presence of Minister of Disaster Management and Human Rights, Mahinda Samarasinghe, as well as Basil Rajapaksa, Special Advisor to the President, underscored the government's interest in partnership with the international community. The briefing did not - but was not designed to - address human rights and security issues, which are also critically important factors in the lives of citizens in Jaffna. BLAKE